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CONFIDENTIAL

UM D-101/1a

August 6, 1951

Guatemala

UNDER SECRETARY'S MEETING

Current Relations with Guatemala

The attached is for your information. ARA revised UM D-101/1 by adding paragraph 8 on page 5. This addition was made at the request of the P area.

UM D-101/1 was discussed at the meeting on June 15, 1951.

Robert G. Barnes

DECLASSIFIED

CONFIDENTIAL

June 12, 1951.

Current Relations with Guatemala

Problem:

To assess our current relations with Guatemala.

Discussion:

This paper follows a review of the United States relations with the Republic of Guatemala which was presented at the Under Secretary's meeting on May 29, 1950 (UM D-101) and other papers and memoranda prepared periodically in ARA concerning the infiltration of communist elements into positions of power and influence in Guatemala. This paper is concerned with developments since the change of administration in Guatemala on March 15 of this year and does not attempt to retrace ground covered in previous studies, such as the gradual taking over of control of organized labor by the communists.

The three-month period since the inauguration of Jacobo Arbenz as President of Guatemala provides few indications to bear out hopes that the new President would take prompt action to reduce the influence on the Government and life of Guatemala of known communists and leftist extremists. On the contrary, communist elements appear, if anything, to have stepped up the pace of their efforts to consolidate the bases of their political and economic position in Guatemala and to be reaching out for more and more power.

It was always recognized that the infiltration of communist elements in Guatemalan life had reached sufficiently serious proportions as to compel the new Chief Executive to proceed cautiously, even assuming the best intentions on his part to clean up the situation. It must be admitted, however, that in Guatemala since March 15 of this year the ascending curve of communist influence has not even tended to level off, but has rather continued upward on an accelerated incline.

Although

Although President Arbenz has made no public statements to indicate a pro-communist or extremist policy, he has made numerous appointments of communists and extreme leftists to important and strategic positions in the Government. The Foreign Minister and the Minister of Education are far left in their views and have consistently cooperated with the communists since taking office. Both, together with a third member of the cabinet and the President of the National Congress, are reported recently to have signed the communist "peace" manifesto.

The National Electoral Board is now controlled by communist elements, with active pro-communists having been appointed to two of its three seats. The labor unions are now firmly in the grip of communist and extremist leadership; and the important Guatemalan Institute of Social Security has been practically taken over, the Administrator being one of the most dangerous communists in the country.

The volume of communist propaganda has grown markedly during the past years. Its effectiveness is increased by the enthusiastic support it receives from the Government radio station and the official and semi-official newspapers. Communist-line editorials and campaigns on the Korean situation and on political and economic issues of local, continental, and world application are featured regularly in public opinion media financed wholly or in part by Government funds.

Since April of this year the Communist Party of Guatemala has operated openly despite the provision by the constitution which prohibits the formation of a political organization of "international or foreign character".

Communists of international importance are welcomed in Guatemala, and the pro-Government press delights in pointing out that, while they are denied visas to many other countries, they are free to come and go in Guatemala as they like. Louis Saillant, Secretary General of the WFTU, came from France in May for a Latin American transport workers' conference which was attended by communist labor leaders from all over the hemisphere.

Communist

Communist political and economic themes were featured throughout the meeting. Four Guatemalan cabinet ministers sat on the platform at the opening session, which was held in an auditorium made available by the Government.

American interests in Guatemala are being hard pressed by extremist labor demands, sparked by communist leaders and by the open partisanship of the Government, which goes so far as to ignore the labor code and laws when necessary and to support the union position even in such extreme cases as illegal strikes. International Railways of Central America (IRCA) appears to be in imminent danger of expropriation. The United Fruit Company is continually being subjected to harrassing work stoppages and extreme demands and threats backed by Government pressure.

Policy recommendations:

In recent months, due to the increasing influence of communist elements in Guatemala and the continued failure of the Guatemalan Government to face the issue squarely, we have been in the process of adapting our policies towards more direct counter-action of leftist trends. In this connection, we have had to bear constantly in mind that Guatemalan political history and social development requires us to move with great care in an effort to expose and isolate communists there and destroy their power. Nothing would harm overall interests of the United States in Guatemala more than the premature employment of overly agressive measures with respect to Guatemalan internal matters. The communists would be furnished with a valuable weapon throughout Latin America and would be able to do great harm to the inter-American system through a revival of mistrust in the United States and fears of a return to the days of unilateral intervention and "big-stick" diplomacy. In the light of these conditions the followed policies are recommended:

1. Under present policy this Government will refrain from supplying aid to Guatemala which it is not under positive obligation to furnish. No

Point IV Umbrella Agreement is being signed with Guatemala, and Guatemala has been deleted from the list of countries being proposed t Congress for increased technical assistance aid. It is not contemplated that Guatemala will be the recipient of any military grant funds that may be made available by Congress, and it is not proposed that Guatemala be assigned a defense role by the Inter-American Defense Board.

2. With respect to technical missions already operating in the country, the agricultural mission is being maintained at present strength; proposed plans for its expansion have been postponed. Technical personnel furnished by IIAA to the large Roosevelt Hospital project under an agreement dating from 1942 has been substantially reduced in view of the dilatory tactics of the Guatemalans in making further funds available for completion of the hospital. Since the United States investment in this project amounts to more than $2 million, we do not wish to withdraw entirely before completion if that can be avoided.

3. No change is proposed in the status of our military ground and air missions in Guatemala in the belief that they constitute a valuable link between the United States and Guatemalan military establishments, the latter being considered predominantly anti-communist. For some months now Guatemalan requests for arms and munitions have been denied, and we are currently engaged in an effort to prevent the sale to Guatemala by Italy of surplus airplanes. The only exception to this policy on arms would be in instances where the request is for a nominal quantity and where favorable action would seem necessary for the continuance of the status of our military missions.

4. The Department will oppose any Export-Import Bank or World Bank loans to Guatemala unless the loan is related to the production or transportation of strategic materials which would directly serve United States interests. In this connection the

extension

extension of financial and technical assistance by international agencies which the United States does not unilaterally control represents a real problem. For instance, UNESCO has now signed a contract with Guatemala to provide educational assistance of the type being given by our IIAA mission when it was forced to withdraw. There are other examples in this field. This problem is now under consideration.

5. We have withdrawn plans for allocating for work in Guatemala $2.4 million of the current $4 million appropriation for the Inter-American Highway. This allocation, which is connected with the construction of an important 20-mile gap to connect Guatemala with the Mexican highway system, will be reviewed later in the year.

6. We hope to avoid signing a new agreement with Guatemala at this time for the continuation of the rubber development project there. Plans for expanding abaca production (the Guatemalan project is production-wise perhaps the most successful in Central America) are being postponed for the present. Decisions on these projects can be delayed until the end of the year without harm to future development.

7. With respect to the growing list of items being placed under export control, we are now considering with the Department of Commerce the possibilities of setting quotas and allocations for Guatemala at levels relatively lower than those for other countries in the area and at the lowest point justifiable on an historical trade pattern.

8. We intend by every appropriate means to increase our efforts to acquaint the people of Latin America with the communist situation in Guatemala and the danger to the peace and security of the hemisphere which it represents. It is possible that we may find it necessary at some future date to take the case of Guatemala before the Organization of American States; in such an event it would be essential that the other countries of Latin America be thoroughly aware of the dangerous situation in that country. It is likewise proposed to develop more effective methods designed to inform the Guatemalan people of the danger with which they are confronted and the destructive ends which communist elements are seeking to achieve; also, on the positive side, to make the Guatemalan Government and people cognizant of the advantages Guatemala would derive from full and active cooperation with the United States and the rest of the free world. Ways and means to make the information program more effective are now under study.

It is not

It is not contemplated that there will be any announcement of the above policies. Since candid tactics in seeking to convince Guatemalan officials of the danger of communism to Guatemala and the Hemisphere have been shown to be ineffective, it is considered important that we refrain from stating officially or privately that our actions are related to internal conditions in Guatemala. Whenever it becomes necessary to explain our inability to accede to some official request, we should plead technical reasons. Delays in shipments of needed materials would be blamed on the critical world situation and other reasons connected with the defense of democracy. Guatemalans should be left to make their own deductions, and we would attempt to insure that at no time would Guatemalan officials have any tangible grounds on which to accuse the United States of discriminating against Guatemala for political reasons or of attempting to intervene in her internal affairs.

It is believed that the United States Government should avoid any final or rigid position at this time. It is important to maintain sufficient flexibility in our policies to permit adjustments as changing conditions may dictate. We shall have greater opportunity to influence the situation in Guatemala if the Guatemalans feel they have something to hope for and alternatively, something to forfeit.

CONFIDENTIAL

TAB A

May 31, 1951.

A REVIEW OF COMMUNIST INFLUENCE IN GUATEMALA

This paper is a continuation of the study of March 23, 1950, entitled "Some Aspects of Communist Penetration in Guatemala", and of other papers and memoranda prepared in MID from time to time to show the infiltration of communist elements into positions of power and influence in the Republic of Guatemala. It does not attempt to retrace ground covered in previous papers such as the gradual taking over of control of organized labor by the communists, which is by now substantially achieved. This review is concerned with developments since the change of administration in Guatemala on March 15 of this year.

The two-and-a-half month period since the inauguration of Jacobo Arbenz as President of Guatemala provides few indications to bear out hopes that the new President would take action to reduce the influence on the Government and life of Guatemala of known communists and leftist extremists. On the contrary, communist elements appear, if anything, to have stepped up the pace of their efforts to consolidate the bases of their political and economic position in Guatemala and to be reaching out for more and more power.

It was always recognized that the infiltration of communist elements in Guatemalan life had reached sufficiently serious proportions as to compel the new Chief Executive to proceed cautiously, even assuming the best intentions on his part to clean up the situation. It must be admitted, however, that in Guatemala since the inauguration of Arbenz the ascending curve of communist influence has not even tended to level off, but has rather continued upward on an accelerated incline.

Appointments

Although President Arbenz has made no public statements since taking the oath of office to indicate a pro-communist or extremist policy, he has appointed a number of communists and extreme leftists to important and strategic positions in the Government. They include the following:

In the cabinet

In the cabinet Héctor Morgan García, Minister of Education, is considered to be a communist or, at the least, a communist sympathizer. Manuel Galich, the Minister of Foreign Affairs, is far left in his views and has consistently cooperated with the communists since taking office. These two individuals are given special mention as being a step beyond other individuals in the cabinet who are oriented to the left but whose views reflect principally a super-sensitive nationalism. In that connection, the Foreign Minister and four other cabinet ministers return to Guatemala on May 28 after a three-day good-will visit to El Salvador. Reports indicate that during the round of festivities in their honor there the Guatemalan officials stressed continually the strong leftist leanings of their Government.

In Guatemala the National Electoral Board is vested by law with broad powers which make it a powerful political instrument. Among other functions, the Board indirectly appoints the election judges at every polling place, renders the final decision on all protests of election frauds, and in general has great authority over the mechanics and the outcome of national and congressional elections. On April 26 President Arbenz named Jaime Díaz Rozzoto as the Executive appointee to the three-man Electoral Board. A rabble-rouser, whose talents were employed in the Arbenz campaign, Díaz has more than once in recent months clearly identified himself with communist elements. That same week, on April 19, the Congress chose Alfonso Orantes as the Congressional appointee to the Electoral Board. Notoriously pro-communist, Orantes has been active recently as co-Chairman of the Soviet-line "Partisans of Peace" Committee. These two appointments give control of the National Electoral Board to the extremists. This powerful weapon may well prove decisive in the elections due in 1952 for one half of the membership of the Congress.

On April 20 the Guatemalan Institute of Social Security announced the appointment of Alfonso Solórzano to the highly important position of administrator of the Institute. The former able administrator, Oscar Barahona, was dismissed from the job

last

last December with two years of his term yet to run under the pressure of a vicious attack for which former President Arévalo is considered primarily responsible and in which it is now revealed that then President-Elect Arbenz acquiesced. Solórzano is generally regarded as one of the most dangerous communists in Guatemala. Some have referred to him as the top communist in the country. Formerly a secretary to Vicente Lombardo Toledano, he was mentioned in intelligence reports as early as 1943 as a communist organizer in Central America.

Since Solórzano took office, a number of personnel changes in the Institute indicates a further significant strengthening of communist influence in that important Government agency. Abel Cuenca, one of the best known communists in Central America, has been appointed office manager of the Institute. Cuenca is a Salvadoran; thus a strategic Guatemalan Government position has been given to a known foreign communist. It so happens that Cuenca was deported by the Guatemalan Government itself as recently as 1947 because of alleged subversive activities.

The Vice President of the Board of Directors of the Institute of Social Security resigned in protest over the pressure tactics which brought on Solórzano's election. Another member of the Board also resigned and there has been a series of other resignations and separations from the Institute of its older employees. In that connection, perhaps the most significant appointment by the President is that of Natzul Aguirre Cook, an active pro-communist, as a member of the Board of Directors in replacement of communist Bernardo Alvarado Monzón, who moved into an administrative position within the Institute. While it may be debatable whether President Arbenz could have with propriety interfered in administrative appointments within the agency, no such excuse could be offered for his designation of Natzul Aguirre, a well-known pro-communist, to the Board of Directors. In sum, the pro-communists have virtually taken over the Guatemalan Institute of Social Security; and the President's role in the matter can only raise doubts as to his intention and ability to curb communist influence in Guatemala.

Two of the most important bodies in the National Congress at this time are the Commission on Agrarian Law and the Commission on Labor Code Reform. A majority of both commissions is made up of the most

most radical members of the Congress. Five of the eight members of the Labor Code Commission are reported to be avowed communists. Victor Manuel Gutiérrez, admitted communist labor leader, is Chairman of the Labor Code Commission and is the author of the revolutionary agrarian law as well.

The proposed Labor Code is so extreme that it is perhaps not too great an oversimplification to comment that it would not only make it virtually impossible to stay in business; it would also make it impossible to go out of business. It is at least heartening that of the first four articles of the bill considered by the Congress, three were rejected entirely and the remaining one, of minor importance, was passed in amended form.

Another position of great importance in Guatemala is the presidency of the National Congress. That position is now held by Roberto Alvarado Fuentes, an extremist and a constant associate and collaborator of militant communists. The Guatemalan press of April 2 announced that Alvarado was one of the first to adhere to the "peace" resolution sponsored by the pro-communist Partisans of Peace Committee. The fact that Alvarado is President of the Congress and, as such, successor to President Arbenz, is one more clear illustration of the infiltration of communist elements into high places in the Guatemalan Government. It also emphasizes the difficulty which President Arbenz must face in any serious attempt to guide the policies of his Government along a more moderate line.

Carlos Alvardo Jerez, a self-admitted communist, has been appointed director of the Government radio station, TGW.

A recent appointment of interest is that of Virginia Bravo as social secretary to Mrs. Arbenz. Miss Bravo, a known communist of Chilean nationality, was brought to Guatemala by former President Arévalo to head a rural education mission. She was a leader in the campaign of vilification against the IIAA educational mission, which eventually resulted in the withdrawal of that mission from the country. The strategic nature of Miss Bravo's new position is readily apparent when it is recalled that Mrs. Arbenz is considered to be politically more intelligent than her husband and to possess inordinate ambition.

Propaganda

Propaganda

The year 1951 has been marked by a decided increase in the volume of communist propaganda activities in Guatemala. Particular emphasis has been placed on the Soviet-sponsored "World Peace" campaign and on the third World Youth Festival to be held in August in the Soviet sector of Berlin. After two years of ineffectual existence, the Guatemalan Committee of Partisans of Peace has been reorganized and now appears to be a vigorous and dangerous organization. The campaign consists principally of the steady publication of "pro-peace" manifestos by various organizations and the exploitation of insignificant historical anniversaries as occasions for press campaigns and public meetings emphasizing the peace theme along familiar Soviet propaganda lines. The United States is constantly attacked as an imperialist, war-mongering country whose government is under the tight control of Wall Street capitalists. Perhaps the most substantial success so far obtained by the pro-communists in this campaign has been the inclusion of a pledge to support the "peace" drive in the platform of the Partido de Acción Revolucionaria (PAR), the most powerful political party in Guatemala. Description of meetings, speeches, and other publicity on the "peace-versus-imperialism" theme could go on here ad infinitum, all of this carried on with the active support of holders of Government office and the official press.

A late despatch from our Embassy mentions press reports to the effect that among prominent government officials signing the Stockholm "peace" appeal are included the Foreign Minister, the Minister of Education, the Minister of Public Health and the President of Congress.

The celebration

The celebration of May 1, "Labor Day" in Guatemala, showed a stronger communist imprint this year than ever before. Placards, floats, and banners in the parade reflected overwhelming communist influence with slogans such as "Yankee hands off Korea" and "Long live the World Council of Partisans of Peace". Speeches by union leaders bore down on the theme that "the United States is now the director of world imperialism" and that "the UN is being converted into a vile instrument of the financial forces of the United States". President Arbenz with members of his Cabinet reviewed the parade from the balcony of the National Palace and formally accepted a list of petitions from labor leaders.

Unlike ex-President Arévalo during the latter's term of office, Arbenz did not sit later with the labor speakers in the amphitheater. Taking into account the circumstances, the President's speech to the workers in the evening was moderate in content and in tone. His mild but public criticism of the labor code reform has unquestionably been a primary factor in the difficulties which the bill has since met in the Congress. His remarks on peace, however, while not following the communist line to the letter, seemed to leave Guatemala on the fence insofar as taking a positive stand in the world crisis is concerned. And it cannot be overlooked that the May Day parade and the May Day labor petition—both highly praised by the President in his speech—were a spectacle and a document boldly anti-United States and only slightly less boldly pro-communist.

The effectiveness of the communist propaganda campaign is greatly increased by the support it receives from the official and semi-official newspapers such as Diario de Centro América and Diario de la Mañana and, to a lesser extent, from the Ministry of Public Education. Communist-line editorials on the Korean situation and on political and economic issues of local, continental, and world application appear regularly in the official and semi-official press. A similar situation pertains with respect to broadcasts of TGW, the Government radio station. Since these activities are financed largely by official funds, the Guatemalan Government is thus in the position of financing Soviet propaganda.

The Government not only renders this propaganda aid to the communists, but it also favors a considerable number of native and foreign communists with jobs or sinecures in the civil service.

Many of

Many of these individuals have been active not only in Guatemala but also in El Salvador and Honduras, particularly in El Salvador in the labor field. Both these countries have shown themselves to be highly nervous over the infiltration of leftist elements from Guatemala and have been suspicious that they were receiving encouragement and support from the Guatemalan Government. El Salvador has gone so far as to cancel a tourist-card agreement with Guatemala and to require stricter documentation from Guatemalan visitors.

Without actively suppressing the communists Guatemala could greatly reduce their effectiveness simply by denying Government employment to individuals whose primary activity is in the interest of the Soviets and by withdrawing the free newspaper and radio facilities afforded them. It is to be emphasized that the space which the official press devotes to reports of communist-line meetings and to the publication of various pro-communist documents is out of all proportion to their news value.

In early May the radical element of the Newspapermen's Association let it be known that they were sending to Congress a resolution to close Catholic schools in the country and to deport the priests and nuns teaching in them. This news brought an immediate storm of protest from parents and Catholic organizations. Within several days' time over 15,000 signatures were obtained, protesting against even the consideration of such a resolution by the Congress. The move now seems to have died a natural death as a result of the violent reaction to it. It appears to have been a trial balloon on the part of the communists and their collaborators to test public sentiment on the question of Catholic education.

Another development which is perhaps a testing of the Government's intentions is the open reference by full-fledged communists to themselves as a political party. Guatemalan law forbids the existence of the Communist Party. However, Octubre, the weekly newspaper of the militant extremists, has in recent editions publicized the aims of the "Communist Party of Guatemala", and one article shows José Manuel Fortuny as Secretary General. The Octubre group has also on several occasions referred to itself as the Communist Party in submitting announcements on various subjects to the newspapers. To date there is no evidence that the Government intends to take any action against the open appearance of this illegal party, and Government-controlled newspapers have expressed no disapproval of the development.

Labor

Labor

The growing importance of Guatemalan labor in Marxist plans and the increasingly bold alignment of important elements of the Guatemalan Government with communist objectives was indicated in the holding in Guatemala City from May 10 to 14 of a conference of Latin American representatives of the International Federation of Transport Workers Unions, an affiliate of the Soviet-sponsored WFTU. The importance of the meeting was evidenced by the impressive attendance of communist labor leaders of international significance, including Louis Saillant of France, Secretary General of the WFTU; Maurice Carreue of France, Vice President of the International Trade Union of Agricultural and Forestry Workers; Carlos Fernández of Costa Rica, Latin American representative on the WFTU; Vicente Lombardo Toledano, Mexican communist and Secretary General of the CTAL; Rafael Avila, Cuban communist active in the CTAL; and José Morera, Cuban communist active in the CTAL and a recent visitor to Moscow. Other delegates came from Brazil, Chile, Panama, Cuba, Mexico, Ecuador, and El Salvador.

The ostensible purpose of the four-day conference was to discuss protection of the rights and well-being of transport workers, and participation by the workers in local and international labor movements and in the struggle for "peace". Communist political and economic themes were featured in all speeches, and it is assumed that the real purpose of the meeting was to outline plans for subversion and sabotage. It is known that plans were drawn up to strengthen communist control over the Guatemalan labor movement.

The Guatemalan Government lent very real support to the meeting. The first session was held in the auditorium of the Ministry of Public Health, thus giving it the stamp of official approval. More important than the place of the meeting was the heavy representation of the Government on the platform at the opening session. Those in attendance included no less than four members of the Cabinet, the President of Congress and 9 other members of that body and numerous lesser officials. There is perhaps significance in the fact that Major Paz Tejada, formerly Chief of the Armed Forces and now Minister of Communications and Public Works, did not attend, despite an earlier announcement that he would make a welcoming address. Nor were any other military members of the Government on the platform.

One immediate result of the conference was to bring renewed vigor to efforts which have been made over the past two years in

Guatemala

Guatemala to achieve syndical unity among the labor forces of the country. In a step of major importance for Guatemala's future political climate, representatives of all major labor groups met on May 23 and established a committee to plan a unified central labor organization. This committee is composed almost exclusively of extreme-left labor leaders, including Victor Manuel Gutiérrez and Manuel Pinto Usaga. The proposed organization promises to be so comprehensive as regards the membership that would be controlled by it that its decisions could at any time paralyze the economy of the country. Since the character of the committee leaves no doubt as to its communist inspiration and direction, such a labor body would present a formidable challenge to the Government as respects control of the national economy. With this development the Arbenz administration seems clearly faced with a potential problem of controlling or being controlled.

The first major strike to occur since the Arbenz inauguration was the nation-wide stoppage of the International Railways of Central America (IRCA), which began April 19 and lasted for ten days. There is some evidence that the strike was called so soon after the President's entry into office because of the concern of labor leaders over the many rumors and reports that President Arbenz planned to follow moderate political and economic policies during his administration, and that its objective was to force the President's hand before he had had time to consolidate his power. The actions of the administration during the strike did cost it a considerable part of the confidence which its first acts had inspired among moderates. While the strike was clearly illegal under the Labor Code, the Government chose to ignore this aspect of the affair and openly threw its weight on the side of the strikers. President Arbenz in a radio address following the settlement of the dispute went so far as to term the agreement as "just and in accordance with the law".

There is no doubt that President Arbenz found himself under heavy pressure in the railway strike; and the choices he had to make were not easy ones. The action taken by the President in the railroad crisis does not afford conclusive evidence that he will follow the leftist path of President Arévalo, but it cannot be questioned that in that controversy he took a step in that direction.

The connection

The connection of the communists with the railroad strike is confusing. It is clear that Guatemalan communists welcomed the strike as an opportunity for causing general unrest, arousing popular feeling against the United States and as a means of forcing President Arbenz to align himself definitely with leftist labor, thus in practice abandoning his announced plans to encourage national unity. It is believed by many Guatemalans, and it is quite possible, that the strike was planned and directed by communists from beginning to end.

Forthcoming re-negotiation of labor contracts by IRCA and the United Fruit Company are expected to bring labor difficulties which will provide opportunities to the communists for further exploitation and for bringing pressure on the Government.

Attitude

Attitude towards Foreign Ministers Meeting

The comments of Foreign Minister Galich on his return to Guatemala from Washington in mid-April from the Fourth Meeting of Consultation of Ministers of Foreign Affairs of the American Republics are of interest. The press quoted him as having declared in an interview that Guatemala's greatest "triumph" at the Meeting was the introduction of an amendment which watered down the military resolution by leaving to each Government the exclusive determination of whether its troops should participate in collective security arrangements. He bragged that this and other amendments sponsored by Guatema Argentina weakened the military phase of the Washington agreement so that governments were being left "an easy way out" of collective military actions by simply being able to state that they were not capable of taking p such activities. The Foreign Minister strongly emphasized that Guatemala had not only assumed no new obligations at the Conference but had actually amended and weakened the Uniting for Peace Resolution adopted by the Fifth General Assembly of the United Nations.

In a prepared statement released to the Guatemalan press the Foreign Minister stated specifically that the internal security resolution was "reduced to nothing" by amendments offered or supported by him. He went on brazenly to assure Guatemalan communists that they had "nothing to worry about" with respect to the internal security resolution adopted by the Foreign Ministers. He did at least caution that they must obey Guatemalan laws and refrain from subversive activities, but his statement was commonly interpreted as meaning that there was little intent on the part of the Government to implement its signature at Washington.

In addition to the Foreign Minister's rather cynical statements, President Arbenz released a formal press statement in response to communist-line attacks on the Foreign Ministers Meeting by the official and semi-official newspapers in Guatemala. This statement assured the people that Guatemalan troops would not be sent outside the American continent since such action would violate the principle of non-intervention and made it clear that the Foreign Minister's actions at Washington had been strictly in accord with instructions. Extreme leftists no doubt welcomed the implication in the President's statement concerning non-intervention, since it paralleled their most persistent propaganda line that the United States is intervening in Korea.

Future Prospects

Future Prospects

Given the rather enigmatic character of President Arbenz, it would be premature to attempt to predict his future course of action in the light of the brief period he has been in office. He has shown himself in the past, as in his role in the Arana assassination, to be utterly ruthless in his ambition to achieve the presidency. At 37 years of age it seems clear that he has not exhausted his capacity for growth. Both he and his wife are considered leftist in their political orientation, but the wealth Arbenz amassed in his position as one of the leading military figures of the previous administration, as well as general estimates of his character, indicate that his ideology is not deep-seated. He has been commonly regarded as an opportunist, and there seemed reason for hope when he came to office that he would follow a moderate course if for no other reason than self-interest.

There have been some conciliatory actions on his part, such as the cancellation of more than $100,000 in fines imposed on local merchants as a result of the political disturbances in July 1950, and the appointment of a moderate to study petroleum development problems. On the other hand, the series of events described in the preceding paragraphs of this review have disappointed and disillusioned many as to the President's intentions.

A staunchly anti-communist Guatemalan who served with Arbenz in the Arévalo cabinet describes him and his wife as leftists but not communists. He pictures them, however, as being surrounded and strongly influenced today by a group of very determined communists, both Guatemalan and foreign, who have very definite objectives and who are determined to crush every obstacle in their path. It remains to be seen whether the President has a real desire to influence Guatemalan political, social, and economic policies in a more moderate direction and whether, given such a desire, he has the talent and firmness to carry it out. The course of events to date has not been encouraging.

The most hopeful political development in Guatemala in recent months has been the split within the Partido de Acción Revolucionaria (PAR), the most powerful of the "revolutionary" political parties which form the Government's political support. On May 17 Augusto Charnaud MacDonald, Minister of Finance, resigned from the PAR with a bitter protest against its control by communist

and radical

and radical extremists. In his letter of resignation Charnaud, who since the organization of the party in 1945 had been one of its principal leaders, in effect accused the pro-communists of steering the PAR on an extreme left course which not only threatens the party's present dominant position but which is also prejudicial to Guatemala's international position. Although Charnaud is a moderate only by comparison with those to the left of him, his orientation is principally that of a strong nationalist. The bulletin issued in response to his resignation by the PAR over the signature of Roberto Alvarado Fuentes, President of the National Congress, heaped abuse on Charnaud as a "reactionary" and a "deviationist". The language employed in the statement could only add force to the allegations made by Charnaud and other dissidents that the PAR has become an instrument of the pro-communist extremists who captured control of the party at the national convention last March.

Daily resignations from the PAR in support of Charnaud have been reported in the press and were described by our Embassy on May 26 to have reached significant proportions. Among the resignations have been those of four PAR Deputies and the Executive Committee of the National Farm Workers Union, an important arm of the party. Developments to date indicate a significant weakening of the PAR's position.

Most observers would consider these events as favorable to President Arbenz' supposed inclination to carry forward a liberal Government program at a relatively moderate pace. It is to be emphasized that Charnaud is one of the President's closest advisers and an astute politician. It is, therefore, not inconceivable that these activities may be a deliberate move to split the PAR as a first step towards curbing the power of the communists within the parties supporting the administration and within the Government itself. It remains to be seen whether such hopes will be borne out.